



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

M049/0062

1002

October 28, 2009

Gordon Blankstein,  
Chief Consolidated Mining Company  
890-999 West Hastings ST. Suite 890,  
Vancouver, BC  
Canada V6C 2W2

Subject: Approval of Amended Notice of Intention to Commence Large Mining Operations (NOI), Chief Consolidated Mining Company, Tintic Operations, M/049/0062, Utah, County, Utah

Dear Mr. Blankstein:

The Division approves your proposal to drill 4 exploratory holes near the Burgin #2 shaft. Since the area that will be affected by this proposal is within the current permit boundary for the Tintic Operations, the only issue the Division needed to deal with is bonding. As part of the amendment, a request for a variance to not plug the entire depth of the hole (even though it is likely water would be encountered) was made. Rationale for this variance is that the mining in the area has already impacted the water resource much more than this drilling program would do.

Water encountered in the mine is poor quality. After consideration of this request, the Division has determined there would be no additional impacts from this limited drilling program and therefore approves the requested variance (for the proposed 4 holes only). Additional drilling may require complete plugging of the drill holes.

With the approval of the variance, the reclamation cost associated with the drilling (surface plugging) would increase the surety amount by \$840.00. Since Chief currently has several thousand dollars in excess of the required surety for the mine, there is no need to submit additional surety at this time. The Division will add this amount to the bond spreadsheet.

The Division now permits you to begin the drilling program as outlined in your amendment. When completed, please provide the Division with a map showing the exact location the drilled holes.

In the future, please keep your plan current by submitting changes using Form MR-REV-att, which is located on the web at [www.dogm.utah.gov](http://www.dogm.utah.gov).

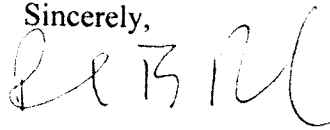


1002

Page 2  
Gordon Blankstein,  
Chief Consolidated Mining Company  
M/049/0062  
October 28, 2009

All future correspondence should reference M/049/0062. Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "P. B. Baker", written in a cursive style.

Paul B. Baker  
Minerals Program Manager

PBB:lk:vs

cc: Tom Gast (tgast99@msn.com)

Peggy Kelsey, Utah County Planning

P:\GROUPS\MINERALS\WP\M049-Utah\M0490062-ChiefConsolidated\final\Appvl-3180-10262009.doc